

SENATE BILL 25

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Q3

2001 Regular Session
1r0800

(PRE-FILED)

By: **Senator Teitelbaum**

Requested: November 8, 2000

Introduced and read first time: January 10, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification - Assisted Living, Nursing Home, and**
3 **Home Health Care Expenses**

4 FOR the purpose of providing a subtraction modification under the State income tax
5 for certain amounts contributed on behalf of certain individuals for certain
6 assisted living, nursing home, or home health care programs and services,
7 subject to a certain limitation; defining certain terms; providing for the
8 application of this Act; and generally relating to a subtraction modification
9 under the State income tax for certain amounts contributed on behalf of certain
10 individuals for certain assisted living, nursing home, or home health care
11 programs and services.

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 10-208(a)
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2000 Supplement)

17 BY adding to
18 Article - Tax - General
19 Section 10-208(q)
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 2000 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Tax - General**

2 10-208.

3 (a) In addition to the modification under § 10-207 of this subtitle, the
4 amounts under this section are subtracted from the federal adjusted gross income of
5 a resident to determine Maryland adjusted gross income.

6 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
7 MEANINGS INDICATED.

8 (II) "ASSISTED LIVING PROGRAM" HAS THE MEANING STATED IN §
9 19-1801 OF THE HEALTH - GENERAL ARTICLE.

10 (III) "HOME HEALTH CARE" HAS THE MEANING STATED IN §
11 19-401(C) OF THE HEALTH - GENERAL ARTICLE.

12 (IV) "NURSING HOME" HAS THE MEANING STATED IN § 19-1401(E) OF
13 THE HEALTH - GENERAL ARTICLE.

14 (V) "QUALIFIED BENEFICIARY" MEANS AN INDIVIDUAL WHO:

15 1. IS THE SPOUSE, PARENT, OR GRANDPARENT OF THE
16 TAXPAYER; AND

17 2. QUALIFIES FOR BUT DOES NOT RECEIVE MEDICAID
18 BENEFITS.

19 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
20 INCLUDES 100% OF THE AMOUNT CONTRIBUTED BY THE TAXPAYER FOR EXPENSES
21 IN MAINTAINING A QUALIFIED BENEFICIARY:

22 (I) AT AN ASSISTED LIVING PROGRAM;

23 (II) AT A NURSING HOME; OR

24 (III) IN A HOME HEALTH CARE PROGRAM.

25 (3) THE TOTAL AMOUNT OF EXPENSES INCLUDED UNDER PARAGRAPH
26 (2) OF THIS SUBSECTION MAY NOT EXCEED \$5,000 FOR EACH QUALIFIED
27 BENEFICIARY FOR ANY TAXABLE YEAR.

28 (4) THE SUBTRACTION MODIFICATION ALLOWED UNDER THIS SECTION
29 DOES NOT AFFECT THE TREATMENT UNDER THIS TITLE OF ANY DEDUCTION
30 ALLOWED FOR FEDERAL INCOME TAX PURPOSES FOR THE AMOUNT CONTRIBUTED
31 BY THE TAXPAYER TOWARD THE EXPENSES OF A QUALIFIED BENEFICIARY.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2001, and shall be applicable to all taxable years beginning after December 31,
34 2000.